



March 21, 2014

To: Executive Board

Subject: **March Legislative Summary**

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### **Recommendation**

Receive and file the March Legislative Summary. Adopt support positions on AB 1720 and AB 2445.

### **Background**

A summary of state and federal legislation and its status is attached. Board members should note that staff recommends **support positions on AB 1720 (Bloom) and AB 2445 (Chau)**.

### ***State Legislative Issues:***

Current law generally prohibits a publicly owned or operated transit system from procuring a transit bus whose gross weight on any single axle exceeds 20,500 pounds. Current law, until January 1, 2015, exempts from this prohibition a transit system that is procuring a new bus that is of the same or lesser weight than the bus it is replacing, or if it is incorporating a new fleet class into its inventory and its governing board makes certain findings. AB 1720 would extend the operation of those exceptions until January 1, 2016. The majority of Foothill Transit's fleet, along with those of most, if not all, transit agencies throughout the state exceeds this over quarter century old statute due to mandated clean air, safety, disability laws and advances in bus technology. This bill will continue to protect us from being subject to citations and costly permits until a reasonable solution can be determined.

AB 2445 would specify that a community college district is authorized to enter into a contract for certain transportation services if a majority of the students of that district, or campus of that district, as appropriate, approve the payment of the fee within the same time period. This bill would provide greater flexibility for the governing board of community college districts, and more specifically, individual community college campuses, to provide for increased transit services at the discretion of its student body and is important to the ongoing success of Foothill Transit's College Pass Program.

The California State Transportation Agency (CalSTA) released the "California Transportation Infrastructure Priorities (CTIP): Vision and Interim Recommendations" report. The 2013-14 Budget Act directed CalSTA, in collaboration with numerous stakeholders, to develop funding priorities and long-term funding options for the state's transportation network, including transit operations and maintenance and capital projects.



Discussed in detail in the report, CalSTA's vision for a viable transportation system is centered on five focus areas: 1) preservation; 2) innovation; 3) integration; 4) reform; and 5) funding. The report contains both near-term and long-term funding recommendations for achieving this vision, including the use of Cap and Trade revenues (near-term) and consideration of a lower vote threshold for local sales tax measures (long-term).

The California Transit Association (CTA) was an active participant in the CTIP working group and will continue to engage CalSTA as it begins to implement the near-term and long-term recommendations proposed in the report.

Notwithstanding that looming fiscal cliff facing transportation funding, a two-year effort by Transportation California and the California Alliance for Jobs to develop a statewide ballot measure generating critically needed funding to maintain, rehabilitate and improve local streets and roads, state highways and transit systems will be put on hold for the 2014 election year. Ten percent of the revenues from a new license fee on vehicles would have been reserved for modernizing public transit fleets under the measure.

Citing the continued economic downturn amongst other factors, the groups explain the decision to forego 2014 action, while continuing to work with the CTA and other transportation stakeholders on short-term efforts to bolster funding.

***Federal Legislative Issues:***

With the Highway Trust Fund (HTF) headed to insolvency this summer, the hunt for revenue to pay for the nation's surface transportation network is taking center stage in Washington. As part of that dialogue, the challenges are emerging for a transportation reauthorization bill to pick up where MAP-21 leaves off on October 1.

Senator Barbara Boxer (D-CA), Chair of the Environment & Public Works Committee, says she is hoping to move a five- or six-year bill this spring. President Obama is talking about a four-year bill, and House authorizers under the leadership of Transportation & Infrastructure (T & I) Committee Chair Bill Shuster (R-PA), also want to report this spring a multi-year bill (hopefully of longer duration than the two-year MAP-21 legislation). The big challenge of course is the "pay-for" and several ideas have already met with the cold water of political unpalatability. These include an increase in the gas tax which has not been raised for more than two decades, not even for inflation, but raising any kind of taxes at the moment is a political nonstarter. Another idea has been a user fee called VMT (Vehicles Miles Traveled), but this has raised privacy concerns over how vehicles would be tracked and what would be done with the information. Other ideas which would be politically challenging include tolling (there is staunch opposition to charging fees on highways that taxpayers have already paid for), and a general fund transfer (in the current budget climate, Members are reticent to do this yet again).



The President and House Ways & Means Chairman Dave Camp (R-MI) proposed using revenue from tax reform to pay for infrastructure, but many groups worry that this would be a one-time infusion of cash rather than a sustainable source of long-term funding and it is uncertain how, when, or if, tax reform will materialize. The Trust Fund obviously will not be able to wait for either a protracted tax reform debate or a lengthy reauthorization process, so it may be necessary for Congress to take immediate action to extend its viability. The Congressional Budget Office (CBO) projects HTF insolvency sometime in August, but as a practical matter, states have to make decisions much earlier than that. In the absence of reliable funding, state DOTs will have to cancel contracts, idling hundreds of thousands of workers. Transportation Secretary Anthony Foxx said this week that there are 700,000 jobs at risk, and that no one wants “to go off that cliff.” Since many feel that transportation reauthorization is not doable until after the midterm November elections, there will likely be a scramble for short-term funding to keep the Trust Fund afloat.

The President’s surface transportation proposal includes utilizing \$150 billion from corporate tax reform to pay for increased investment in transportation. His plan includes a 22 percent hike for highways (\$206 billion over four years), but a 70 percent boost for transit (\$72 billion). The proposal also includes \$19 billion for rail programs and \$9 billion in competitive funding, including \$5 billion for the popular TIGER infrastructure grant program and \$4 billion to incentivize innovation and local policy reforms to better performance, productivity and cost-effectiveness in transportation systems. The President’s proposal also includes a \$10 billion freight program and \$2.6 billion for a program geared to creating “ladders of opportunity.”

Ways & Means Committee Chair Camp also unveiled an ambitious tax reform package that includes \$126.5 billion for shoring up the Highway Trust Fund. That money, raised by a new two-tier tax on repatriated funds, would presumably keep the HTF solvent through 2021, at current spending and gas tax levels, although both of these could change. The proposal would also end tax breaks for cruise ship companies, boost inland waterways user fees and hike interest rates for municipal bonds.

### **Budget Impact**

The exact impact of all the HTF and Authorization Proposals would have on the Foothill Transit budget cannot be determined until more specific details are worked out.

Sincerely,

David Reyno  
Director of Government Relations

Doran J. Barnes  
Executive Director

# 2014 Legislation Summary

Current as of 3/7/2014

(Amendments and Bills with updated status or requesting action are indicated in **bold**)

Bill No.	Author	Analysis	Potential Impacts	Location	Outside Agency Positions	Recommended Position
AB 5	Ammiano	The bill would enact the Homeless Person's Bill of Rights and Fairness Act. The bill would establish a number of rights for every person in the state, including those who are considered homeless including the right to move freely in the same manner as any other person in public spaces, including, but not limited to, plazas, parking lots, public sidewalks, public parks, public transportation, public streets, and public buildings, in the same manner as any other person, and without discrimination by law enforcement, public or private security personnel and the right to rest and sleep in public spaces without being subject to criminal or civil sanctions, harassment, or arrest by law enforcement, public or private security personnel as long as such rest does not maliciously or substantially obstruct a passageway. The purpose of the bill is to protect people without homes from violations of their basic human rights and the people who serve them from penalties and includes public transportation in its definition of public space.	The bill would mean that the homeless could freely loiter or sleep in a Foothill Transit parking structure or sleep on a Foothill Transit bus stop bench without any legal remedy.	Failed to Pass out of House of Origin by January 31 Legislative Deadline	CTA - Oppose	Oppose Position Adopted 5/24/2013
AB 8	Perea/Skinner	Existing law establishes the Alternative and Renewable Fuel and Vehicle Technology Program, administered by the State Energy Resources Conservation and Development Commission to provide, upon appropriation by the Legislature, grants, loans, loan guarantees, revolving loans, or other appropriate measures, for the development and deployment of innovative technologies that would transform California's fuel and vehicle types to help attain the state's climate change goals. AB 8 and SB 11 extends alternative fuel incentive programs including the Carl Moyer and AB 118 programs. These programs, which have been funded by tire fees, DMV registration fees, smog abatement fees, and vehicle plate fees, have provided funds for various projects to increase the usage of alternative fuels and help with the expansion of alternative fuel infrastructure.	The bill's passage would mean funds will continue to be available to assist Foothill Transit and other state transit agencies financially with fleets of natural gas vehicles and the infrastructure needed to maintain them.	Signed by the Governor & Chaptered by the Secretary of State - 9/28/2013	CTA - Support	Support Position Adopted 2/22/2013
AB 574	Lowenthal	The bill establishes a program to fund sustainable communities strategies (developed pursuant to SB 375) as well as equivalent greenhouse gas (GHG) reducing strategies in rural areas, using cap and trade auction proceeds. The bill provides a statutory framework for implementing the sustainable communities allocations from cap and trade revenues, including key elements such as a per capita distribution of funds to California's regions, a competitive grant program guided by state policy objectives aligning with regional GHG reduction, and a performance-based approach to maximize investments. Additionally, the bill specifically includes funding for transit operations, maintenance, and infrastructure among the eligible investments for the funds.	This bill would provide a mechanism for which the transit industry and Foothill Transit would receive its fair share of the cap and trade auction proceeds.	Failed to Pass out of House of Origin by January 31 Legislative Deadline	CTA - Support	Support Position Adopted 4/26/2013

# 2014 Legislation Summary

Current as of 3/7/2014

(Amendments and Bills with updated status or requesting action are indicated in **bold**)

Bill No.	Author	Analysis	Potential Impacts	Location	Outside Agency Positions	Recommended Position
AB 1002	Bloom	Existing law imposes a registration fee to be paid to the Department of Motor Vehicles (DMV) for the registration of every vehicle or trailer coach of a type subject to registration, except those vehicles that are expressly exempted from the payment of registration fees. Existing law, until January 1, 2016, imposes a \$3 increase on that fee, \$2 of which is to be deposited into the Alternative and Renewable Fuel and Vehicle Technology Fund and \$1 of which is to be deposited into the Enhanced Fleet Modernization Subaccount. AB 1002 would raise the existing vehicle surcharge from its current \$4 to \$10. The funds would be distributed by the following breakdowns for cities to better achieve their SB 375 goals: 50% is proposed to be distributed to cities and counties on a per capita basis for planning and implementation of projects consistent with the purposes of SB 375 and an approved Sustainable Communities Plan. 40% is proposed to be distributed to transportation commissions and transit operators to support transit operations, and maintain and expand reduced fare programs, including transit passes for students, low income youth, seniors and persons with disabilities. 10% to MPO's and Regional Transportation Planning Associations for implementation of sustainable communities strategies.	This bill could provide Foothill Transit with additional operating funds, specifically for fare programs, including our college ridership pass program.	Failed to Pass out of House of Origin by January 31 Legislative Deadline	CTA - Support	Support Position Adopted 6/28/2013
AB 1257	Bocanegra	The bill will establish the State Energy Resources Conservation and Development Commission (Energy Commission) to thoughtfully evaluate and recommend the right natural gas strategies to further reduce greenhouse gas emissions and cultivate a robust clean energy economy. A declaration would be made with the passage of this legislation that there will be a state policy to reduce greenhouse gas emissions and that an efficient and effective strategy for the use of natural gas has potential for helping to meet these objectives. The Committee will develop strategies to maximize the benefits obtained from natural gas as an energy source. The Energy Commission will review many uses for natural gas, specifically the Commission will identify methods to increase the development of natural gas refueling infrastructure for transportation and protect against system capacity constraints.	The bill's passage will create an Energy Commission that will increase government participation in the creation and maintenance of a natural gas policy for the state.	Signed by the Governor & Chaptered by the Secretary of State - 10/11/2013		Support Position Adopted 3/29/2013
AB 1720	Bloom	<b>Current law generally prohibits a publicly owned or operated transit system from procuring a transit bus whose gross weight on any single axle exceeds 20,500 pounds. Current law, until January 1, 2015, exempts from this prohibition a transit system that is procuring a new bus that is of the same or lesser weight than the bus it is replacing, or if it is incorporating a new fleet class into its inventory and its governing board makes certain findings. AB 1706 would extend the operation of those exceptions until January 1, 2016.</b>	<b>The majority of Foothill Transit's fleet, along with those of most, if not all, transit agencies throughout the state exceeds this over quarter century old statute due to mandated clean air, safety, disability laws and advances in bus technology. This bill will continue to protect us from being subject to citations and costly permits until a reasonable solution can be determined.</b>	<b>Assembly Committee on Transportation</b>	CTA - Support	Support



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Bill No.	Author	Analysis	Potential Impacts	Location	Outside Agency Positions	Recommended Position
AB 2445	Chau	Would specify that a community college district is authorized to enter into a contract for the transportation services described above if a majority of the students of that district, or campus of that district, as appropriate, approve the payment of the fee within the same time period.	This bill would provide greater flexibility for the governing board of community college districts, and more specifically, individual community college campuses, to provide for increased transit services at the discretion of its student body and important to the ongoing success of Foothill Transit's College Pass Program.	Assembly Committee on Rules	CTA - Support	Support
SB 11	Pavley/Rubio	Existing law establishes the Alternative and Renewable Fuel and Vehicle Technology Program, administered by the State Energy Resources Conservation and Development Commission to provide, upon appropriation by the Legislature, grants, loans, loan guarantees, revolving loans, or other appropriate measures, for the development and deployment of innovative technologies that would transform California's fuel and vehicle types to help attain the state's climate change goals. AB 8 and SB 11 extends alternative fuel incentive programs including the Carl Moyer and AB 118 programs. These programs, which have been funded by tire fees, DMV registration fees, smog abatement fees, and vehicle plate fees, have provided funds for various projects to increase the usage of alternative fuels and help with the expansion of alternative fuel infrastructure.	The bill's passage would mean funds will continue to be available to assist Foothill Transit and other state transit agencies financially with fleets of natural gas vehicles and the infrastructure needed to maintain them.	Assembly Committee on Transportation	CTA - Support	Support Position Adopted 2/22/2013
SB 556	Corbett	This bill would require public agencies, including public transit systems, to "label" employees and vehicles which are independent contractors or operated by independent contractors with a "NOT A GOVERNMENT EMPLOYEE" or "THE OPERATOR OF THIS VEHICLE IS NOT A GOVERNMENT EMPLOYEE" disclosure.	Foothill Transit along with many transit systems throughout the state utilize independent, outside contractors to provide transit service, such as drivers/operators for buses and rail vehicles. This bill would place a financial burden on both transit systems and the independent contractors in order to meet the disclosure requirement. Furthermore, the bill would potentially have a detrimental impact to public perception, internally and externally. Transit systems aim to provide a sense of inclusiveness for employees and the "nongovernmental employee" disclosure may affect morale among employees by creating a sense of division. Secondly, the disclosure requirement would likely cause confusion to the public. Transit patrons may mistakenly	Assembly Inactive File	CTA – Oppose	Oppose Position Adopted 7/26/2013

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Bill No.	Author	Analysis	Potential Impacts	Location	Outside Agency Positions	Recommended Position
			perceive that operators and vehicles with the "nongovernment employee" disclosure reflects lesser qualifications or impacts public safety.			
SCA 4	Liu	Existing law under the California Constitution requires the approval of 2/3 of the voters of the city, county, or special district voting on any new or increase of an existing tax. SCA 4 and SCA 8 would provide that the imposition, extension or increase of a special tax by a local government for the purpose of providing funding for local transportation projects requires the approval of 55% of its voters voting on the proposition.	The new voter approval threshold could lead to more transportation and transit money and mean additional funding for Foothill Transit.	Senate Committee on Appropriations	CTA - Support	Support Position Adopted 2/22/2013
SCA 8	Corbett	Existing law under the California Constitution requires the approval of 2/3 of the voters of the city, county, or special district voting on any new or increase of an existing tax. SCA 4 and SCA 8 would provide that the imposition, extension or increase of a special tax by a local government for the purpose of providing funding for local transportation projects requires the approval of 55% of its voters voting on the proposition.	The new voter approval threshold could lead to more transportation and transit money and mean additional funding for Foothill Transit.	Senate Committee on Appropriations	CTA - Support	Support Position Adopted 2/22/2013
H.R. 2288	Grimm (R, NY) McGovern (D, MA)	The bill establishes permanent parity between qualified, pre-tax and tax-free fringe transit and parking benefits at a maximum of \$220 per month. At the \$220 per month level, the federal fiscal impact is neutral, meaning no additional revenue measures are necessary. The bill also allows for future cost-of-living adjustments to the benefit level.	Would provide transit riders in general and Foothill Transit customers specifically with a tax benefit equal to those who drive their personal vehicles.	House Committee on Ways & Means	APTA - Support	Support Position Adopted 7/26/2013
S. 1116	Schumer (D, NY)	The bill would establish parity between the commuter and parking benefits at the current level of \$245 per month, but does not include a provision to offset the cost because the author wants to maintain the benefit at current levels.	Would provide transit riders in general and Foothill Transit customers specifically with a tax benefit equal to those who drive and park their personal vehicles.	Senate Committee on Finance	APTA – Support	Support Position Adopted 7/26/2013